

CIACO

NID 81 [REDACTED]

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Moscow's representative tempered his remarks, however, by asserting that the basic principles of Marxism-Leninism--public ownership, working-class rule, and the Communist party's leading role--must be preserved. He also reaffirmed that the defense of "socialism" in Poland is of concern to its allies and repeated Soviet accusations of Western attempts to use the crisis to upset the global balance of power. Grishin's remarks included an unusual public allusion to the economic difficulties that Poland's allies are experiencing because of delays in export deliveries from Poland. [REDACTED]

The balanced tone of Grishin's remarks, particularly his expression of confidence in the Poles' ability to resolve their problems, suggests that Moscow expects Polish moderates to hold their ground, and perhaps to gain some. His admonitions, however, indicate that Moscow remains wary of possible radical changes at the congress and that it will continue to try to constrain liberalization in Poland. [REDACTED]

Economic Program

On Monday Warsaw announced a comprehensive proposal for stabilizing the Polish economy. The program, which could require strict austerity and involve more than a doubling of food prices, is politically explosive. Several optional measures were presented. [REDACTED]

Implementing any austerity program without adverse popular reaction will require agreement as to objectives and means. The Kania regime probably designed its program mainly to show the population that drastic measures are required to resolve Poland's economic problems. The regime hopes that discussions at the party congress, in the legislature, and with Solidarity will help to create a consensus. [REDACTED]